

REMARKS

1. Summary of Office Action

In the office action mailed July 17, 2007, (i) the Examiner objected to an informality in claim 20, (ii) the Examiner rejected claims 1-3, 7-11, 13-15, and 18-20 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Application Publication No. 2001/0049820 (hereinafter “Barton”), and (iii) the Examiner rejected claim 12 under 35 U.S.C. § 103(a) as being unpatentable over Barton.

2. Information Disclosure Statements

Copies of Information Disclosure Statements by Applicant citing references considered and not considered by the Examiner were included with the office action. One of the Information Disclosure Statements by Applicant cited an International Search Report for PCT application No. PCT US01/32169. The Examiner indicated that this cited reference is not a publication and the Examiner did not provide initials to indicate that this reference was considered. Applicant submitted this reference as a Non Patent Literature Document that an Examiner may consider material to patentability. Applicant respectfully requests that the Examiner consider the cited reference International Search Report for PCT application No. PCT US01/32169 and provide a copy of the Information Disclosure Statement showing the Examiner’s initials to indicate that the reference has been considered.

3. Amendments and Pending Claims

Claims 4-6 and 16-17 were withdrawn in a previous response by Applicant. In this paper, Applicant has cancelled claims 4-6 and 16-17, amended claims 1, 14, 15, and

18-20, and added new claims 21-26. Now pending in this application are claims 1-3, 7-15, and 18-26. Claims 1, 14, 15, and 18-20 are independent.

4. Response to Claim Objections

The Examiner objected to an informality in claim 20. In particular, the Examiner indicated that Applicant should replace “for instructing a computer” with “capable of being executed by a computer processor” to make it clear that the instructions are computer-executable instructions stored on a computer medium.

Applicant has amended claim 20 to clarify that the computer software product has instructions executable by a computer processor to perform a method for placing an ad into a digital video stream. Applicant submits that the amendment to claim 20 overcomes the Examiner’s objection to claim 20. Applicant respectfully requests that the Examiner withdraw the rejection of claim 20.

5. Response to Claim Rejections

Claims 1-3, 7-11, 13-15, and 18-20 stand rejected under 35 U.S.C. § 102(e) as being anticipated by Barton. Under M.P.E.P. § 2131, a claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.

In particular, Barton fails to teach or suggest (i) placing the ad (lead-in ad or lead-out ad) into the video stream such that (a) at least a first portion of the ad is displayed along with video of the first mode, or (b) at least a second portion of the ad is displayed along with video of the second mode, as recited in amended independent claims 1, 14, and 15, (ii) sending an ad to be placed into an output video stream such that (a) at least a first portion of the ad is displayed along with video of the first mode, or (b) at least a

second portion of the ad is displayed along with video of the second mode, as recited in amended independent claim 18, and (iii) placing an ad into an output video stream such that (a) at least a first portion of the ad is displayed along with video of the first mode, or (b) at least a second portion of the ad is displayed along with video of the second mode, as recited in amended independent claims 19 and 20.

At best, Barton discloses (i) a bookending function that displays an advertisement *before and/or after* a program that has been recorded on a DVR's storage device is played to a viewer, and (ii) the invention's bookending allows any material that is loaded into the system to be displayed *before and/or after* any program material. (See, e.g., Barton, abstract, paragraph [0014] lines 1-4, paragraph [0043] lines 6-8, and Figure 8, emphasis added).

Even if it is assumed *arguendo* that Barton discloses that the advertisement, which is displayed before and/or after a program, is placed into a video stream, Applicant submits that Barton's disclosure of displaying an advertisement before and/or after a program does not amount to placing the ad into the video stream such that (i) at least a first portion of the ad is displayed along with video of the first mode, or (ii) at least a second portion of the ad is displayed along with video of the second mode, as recited in the various independent claims, because Barton does not teach or suggest that any portion of the advertisement is displayed with video of a first mode or video of a second mode.

Because Barton does not teach or suggest all of the elements recited in independent claims 1, 14, 15, and 18-20, Barton fails to anticipate claims 1, 14, 15, and 18-20 under 35 U.S.C. § 102(e). Further, because each of claims 2, 3, 7-13, and 21-26

depend from claim 1 and necessarily include all of the limitations of claim 1, claims 2, 3, 7-13, and 21-26 are allowable as well.

6. Conclusion

For the foregoing reasons, Applicant submits that claims 1-3, 7-15, and 18-26 are in condition for allowance. Therefore, Applicant respectfully requests favorable reconsideration and allowance of all of the claims.

Respectfully submitted,

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Dated: January 17, 2008

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